

SENEDD EQUALITY AND SOCIAL JUSTICE COMMITTEE

INQUIRY INTO CHILD POVERTY

Response by the Bevan Foundation

The Bevan Foundation is Wales' most influential think tank. We create insights, ideas and impact that help to end poverty and inequality in Wales. We are grateful for the opportunity to respond to the Committee's inquiry. Our answers to the Committee's questions build on our response to the Welsh Government's consultation on its draft strategy.¹

Q1. The extent to which the draft strategy will support the Welsh Government and its partner organisations to maximise their contribution to reducing child poverty within the boundaries of the devolution settlement.

The strategy is focused almost exclusively on the actions being taken by the Welsh Government itself – there is little reference to the potential contribution of other organisations such as local authorities despite their significant role.

Q2. What best practice in tackling child poverty exists within and beyond Wales, and why do these interventions work. To what extent does the approach outlined in the strategy align with this?

The definition used in the draft strategy focuses on resources. The interventions that work are therefore those that increase resources by:

- Increasing income by family members working sufficient hours at an adequate rate of pay. This requires:
 - Actions that help to increase labour market participation by parents (affordable and available childcare for children of all ages; flexible hours of work; better parental leave and rights).
 - Actions that increase rewards from working (more jobs with better pay and conditions; workers with higher-level skills).
- Increasing income through higher social security benefits and other grants and allowances. This requires:
 - Adequate levels of benefits that match household needs.
 - Effective eligibility thresholds and high take up rates.
- Cutting household costs by providing goods or services that would otherwise have to be purchased for free or at a reduced cost. This requires:
 - Interventions targeted on children and families
 - A focus on essential resources (i.e. housing, food, energy).

The draft strategy recognises the importance of actions to increase incomes, from work and from benefits, and to cut costs. These sit alongside numerous other interventions. The Foundation has

¹ Bevan Foundation (2023) Our views on the draft child poverty strategy
<https://www.bevanfoundation.org/resources/our-views-on-the-draft-child-poverty-strategy/>

argued that these interventions should be the main focus of the strategy, and that the Welsh Government could be more ambitious in its interventions.

Q3. What barriers exist to implementing solutions that successfully address child poverty in Wales, and how can these be overcome.

The following factors shape the nature of the Welsh Government's response although it is a matter of opinion as to whether these are 'barriers':

- The current devolution settlement means that the Welsh Government is not responsible for aspects of the social security system that have a direct impact on child poverty in Wales e.g. the two-child limit, the freezing of Local Housing Allowance and low rates of Statutory Maternity Pay. This limits the extent to which the Welsh Government can reduce poverty via the social security system, although this does not prevent it from developing other mechanisms or arguing for change to the current system.
- The current fiscal settlement means that it would be challenging for the Welsh Government to raise revenues to fund significant devolved grants or allowances to reduce child poverty (e.g. a child or family payment (as in Scotland)). This should not prevent the Welsh Government exploring the potential for significant interventions.
- The nature of the housing market in Wales has resulted in shortages of homes for families and increases in rents, and made delivering the Welsh Government's social housing targets difficult.
- The Welsh Government does not control much of the delivery of its interventions e.g. school governing bodies decide on school uniforms, local authorities administer free school meals.

Q4. Which indicators should be used to measure progress in addressing child poverty and what specific and measurable targets should be set to assess this.

The primary indicator should remain that included in the Children and Families (Wales) Measure 2010 i.e. *"every household including one or more children where household income is less than 60% of median income in the United Kingdom"*.

This measure enables comparison between Wales and other parts of the UK and over time, although it is not sufficient to monitor progress. For this purpose, the 60% median measure should be supplemented with other indicators of household resources that are more timely and which allow analysis across different sub-groups. These include:

- Proportion of parents in paid work and economically inactive.
- Proportion of parents earning a 'living income' (that is the real Living Wage and enough hours of work).
- Take-up rates of key social security benefits and Welsh grants and allowances.
- Percentage of families whose rent is not covered by social security benefits (due to the benefit cap, shortfall in LHA or loss of spare bedroom subsidy).
- Number of children in temporary accommodation.
- Number of childcare places per 1000 children for 0-1s, 2-4s and 5-10 year olds.
- Number of families in fuel poverty.

The Bevan Foundation notes that the legislation refers to the *eradication* of child poverty. To us this implies that the draft strategy should have a clear, achievable target to work towards, over a longer-term timescale, as well as realistic milestones against which progress towards eradication can be measured.

Q5. How effective will the strategy be in addressing child poverty within specific groups of the population.

The Bevan Foundation has said that the draft strategy could be much better targeted on different groups of children, not only children and families with protected characteristics but also those children known to be at high risk of poverty i.e. families with children aged 0-4 years, large families and single parent families.

Different groups of people require different interventions rather than a 'one size fits all' approach. For example, school-based interventions help school-aged children but do not reach pre-schoolers who experience very high levels of poverty. Given the broad brush approach in the draft strategy, it is likely that it will be difficult for it to achieve a reduction in child poverty amongst specific groups.
